

Agenda Item: 9-5
Meeting Date: June 9 and 10, 2004

2004 PROGRAM PLAN DEVELOPMENT

Description: This report provides information on the program planning process and proposed criteria which will be used as a basis for reviewing and approving the Program Plans. The attached Program Plans describe implementation of each of the 11 CALFED Program elements over the next few years. The Program Plans were provided to the Bay-Delta Public Advisory Committee (BDPAC) at its May meeting, and a summary of their comments are included in this report. The Program Plans will be discussed at the July BDPAC meeting and considered for approval by the Authority in August.

Recommended Action: Staff recommends that the Authority adopt the attached Resolution 04-06-01 approving criteria for reviewing and approving Program Plans.

Background

The California Bay-Delta Authority Act of 2003 requires the Authority to annually review and approve and potentially modify program plans and long-term expenditure plans. The program planning process provides the forum to describe what has been accomplished, identify problems and propose steps for resolving issues; identify available funding and additional funding needs; and ensure cross-program integration and balance.

Each year Authority staff oversees and coordinates preparation by the implementing agencies of the program plans. Comments on the draft plans are solicited from BDPAC subcommittees, BDPAC, the Authority, and the public. BDPAC subcommittees discuss relevant Program Plans and help identify outstanding issues within that element. BDPAC will make a recommendation on the Program Plans to the Authority in July. The Authority will consider approval of the Program Plans in August.

Criteria For Program Plan Approval

There are two sections of the California Water Code that contain direction on the use of criteria for annual and multi-year plans.

Section 79421(o) of the California Water Code requires the Authority to adopt criteria for review, approval, and modification of the annual Program Plans. The criteria shall be consistent with existing State and Federal agency budget development, review, and approval processes. The Authority shall submit a copy of the criteria to the appropriate policy and fiscal committees of the Legislature.

Section 79423 (i) of the Water Code requires the Authority to review and approve, and, as appropriate, authorizes it to recommend that implementing agencies modify, multi-year program plans and long-term expenditure plans on behalf of Category A programs, based on the following criteria: (1) consistency with the program; and (2) the balanced achievement of the Program's goals and objectives.

Each year Authority staff oversees and coordinates preparation by the implementing agencies of the multi-year Program Plans. Included in those multi-year plans are annual Program Plans describing how the implementing agencies are proposing to implement their respective program elements during the current budget year.

A single set of criteria is being proposed for the review, approval, and modification of integrated annual and multi-year Program Plans and expenditure plans. These criteria include those specified in Section 79423 (i) and additional criteria based on the Record of Decision (ROD) and suggestions from BDPAC members. The criteria will be used by both BDPAC and the Authority in considering the annual and multi-year Program Plans at their respective meetings in July and August.

BDPAC discussed the proposed criteria at its May meeting and provided comments for additional criteria which are reflected in the revised draft criteria in Attachment 1. The Authority will consider the proposed criteria for approval in June, and if approved, will submit the adopted criteria to the Legislature.

The proposed criteria are attached in Attachment 1.

Program Priorities, Balance, and Integration

In December 2003, the Authority identified several concerns as part of its discussion of Program balance. These concerns included:

- Program-wide delays and funding shortfalls
- Four program elements further behind - Drinking Water Quality, Agricultural Water Use Efficiency, Levee System Integrity, and Science
- Staffing and contracting
- Lack of Federal authorization and appropriations

Securing reliable State and Federal funding continues to be the greatest challenge for the Program. In the first three years, Drinking Water Quality, Agricultural Water Use Efficiency, Levee System Integrity, and Science Programs have been particularly short of funds when compared to the level projected in the ROD. Lack of Federal authorization has adversely affected implementation of projects in the Water Use Efficiency, Conveyance, and Levee System Integrity Programs. All programs have been adversely affected by budget cuts and staffing reductions associated with the State's fiscal crisis.

Progress on reassessing Program targets, developing an integrated Delta improvements package and Federal authorization, along with funds from Proposition 50 and a long-term finance plan are addressing some of the concerns raised in December.

The program planning process provides an opportunity to assess Program progress, proposed activities and available funding across all Program areas. Each plan addresses Program integration and linkages. By bringing the Program Plans to BDPAC subcommittees, BDPAC and the Authority, there is an opportunity for the public, stakeholders and the CALFED agencies to influence the implementation of the Program. This process assures that the Program is integrated to the greatest extent possible.

Comments from BDPAC and Subcommittee Co-Chairs

BDPAC subcommittee co-chairs presented their comments related to the Program Plans. The following is a summary of the concerns raised by the subcommittee co-chairs at the BDPAC meeting.

Many of the subcommittees raised issues about availability of funding, the budget process, and staffing levels to support program implementation.

There was also significant discussion about integration of Program Plans, and the role of the subcommittees in looking at Program Plans that are linked.

Additional specific issues raised by the subcommittees include:

Groundwater Storage – Need to develop yield-based targets to complement or replace storage targets

Surface Storage - Potential Sacramento River flow regime impacts associated with north of Delta storage, wild and scenic river issues associated with raising Shasta, and the need to identify beneficiaries and develop common baseline assumptions for all surface storage projects

EWA – Need to define the size, structure, and function of the long-term EWA

Conveyance - Need to identify beneficiaries on some projects and develop common assumptions

Levees - Need for broad U.S. Army Corps of Engineers authority

Drinking Water Quality - Uncertainties with Proposition 50 statewide chapters and coordination with the Authority and CALFED Program; funding for water quality science and monitoring; technical uncertainties such as benefits and costs, timing of projects such as source improvement, drinking water policy framework, and the lack of active participation by the implementing agencies

Water Use Efficiency - Urban WUE Certification Plan for Best Management Practice (BMP) implementation, update water recycling planning and construction funding guidelines, work to implement the 2003 State Water Recycling Task Force Report, not in Program Plan and unfunded

On July 8, BDPAC will make a recommendation to the Authority on the Program Plans. It is expected that the draft plans will undergo revision between now and then to address the issues that have been identified, and improve the integration and linkages.

List of Attachments

Attachment 1 - Draft Criteria for Approval of Program Plans

Attachment 2 - Draft Program Plans

Resolution

Contact

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**Draft Criteria for Review, Approval, and Modification of
Program Plans and Expenditure Plans**
(Revised 5-27-04)

1. The Program Plans consider previous years accomplishments and recommendations.
2. The Program Plans are consistent with the goals and objectives of the CALFED Record of Decision.
3. The Program Plans include projects or programs that advance the Program element with an emphasis on projects that meet the objectives of multiple programs.
4. The Program Plans identify an appropriate budget, realistic funding sources or identify funding gaps.
5. The Program Plans have been prepared by the implementing agencies with input from stakeholders and the public.
6. The Program Plans include appropriate performance measures suitable for evaluating progress on Program implementation.
7. The Program Plans are consistent with the implementation commitments described in the Record of Decision including environmental justice and tribal consultation.
8. The Program Plans present funding commitments and milestones that will result in balanced implementation, as described in Section 79402 (b) of the California Bay-Delta Authority Act, for ecosystem quality, water supply reliability, water quality and levee system integrity.
9. The Program Plans include implementation of comprehensive science activities.
10. The Program Plans describe opportunities for public involvement and participation in implementation of the program, through a transparent process, including the Bay-Delta Public Advisory Committee and its subcommittees.



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DRAFT PROGRAM PLANS

All draft CALFED Program Plans will be available at the meeting and on the Authority's website at http://calwater.ca.gov/BDPAC/BDPACMeetingMaterials_5-13-04.shtml

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**CALIFORNIA BAY-DELTA AUTHORITY
RESOLUTION 04-06-01**

APPROVING CRITERIA FOR APPROVING PROGRAM PLANS

WHEREAS, Section 79421(o) of the California Water Code requires the California Bay-Delta Authority (Authority) to adopt criteria for review, approval, and modification of the annual program plans; and

WHEREAS, Section 79423 (i) of the California Water Code requires the Authority to review and approve, and, as appropriate, authorizes it to recommend that implementing agencies modify, multi-year program plans and long-term expenditure plans on behalf of Category A programs, based on the following criteria: (1) consistency with the program; and (2) the balanced achievement of the program's goals and objectives; and

WHEREAS, the plans prepared by the Authority and the implementing agencies include both multi-year and annual Program Plans and expenditure plans; and

WHEREAS, the criteria submitted to the Authority are consistent with the mandate of the California Bay-Delta Act of 2003 and address both annual and multi-year Program Plans and expenditure plans,

NOW, THEREFORE, BE IT RESOLVED that the Authority approve the criteria presented and forward the approved criteria to the Legislature as required in Section 79421 (o) of the California Water Code.

CERTIFICATION

The undersigned Assistant to the California Bay-Delta Authority does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California Bay-Delta Authority held on June 9, 2004

Dated: _____

Heidi Rooks
Assistant to the California Bay-Delta Authority